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December 14, 2010

AGENDA ITEM 6a

TO: THE MEMBERS OF THE HEALTH BENEFITS COMMITTEE

- I. SUBJECT:** Public Agency Recruitment and Retention
- II. PROGRAM:** Health Benefits
- III. RECOMMENDATION:** Information Only
- IV. BACKGROUND:**

This item is an annual update from the Office of Employer and Member Health Services (EMHS) providing the status of recruitment and retention efforts of public agencies and schools in the Health program. The Committee was last updated in December 2009 regarding marketing and retention strategies and success in growing the program.

V. ANALYSIS

Our health benefits program remains very competitive, proving to be highly desirable for public agencies and schools. Attachment 1 displays Public Agency and Schools Program growth and loss between 2007 and 2011. The following summarizes the results of our efforts:

- Added twenty-five new agencies with eighty-four employee groups to the Program, and an additional forty-seven new employee groups from twenty-three currently contracting agencies.
- The program enrolled over 32,000 new Total Covered Lives (TCLs) into CalPERS health benefits in 2010, a 65 percent increase over 2009.
- Agency retention was 99 percent. Four agencies, and five employee groups from current contracting agencies, elected to cancel their CalPERS health contracts as of January 1, 2011, resulting in a loss of 1,779 TCLs.

These departing agencies cited a variety of reasons for leaving, including premium cost, retiree cost, access to providers, and benefit flexibility. Attachment 2 lists the agencies that will depart from our program next year. Personalized outreach efforts for 11 “at-risk” contracting agencies with a potential loss of 5,201 TCLs were conducted throughout the year, successfully retaining seven agencies.

Overall Program Status and Activities

Throughout 2010, despite furloughs, EMHS participated in numerous activities continuing the success of our marketing efforts. Most notable are our joint efforts with our Health Plan Partners and the Regional Offices. Those efforts included:

- **Retirement Fairs** – Staff attended every CalPERS retirement fair (5) held throughout the State. These fairs served as opportunities to educate both members and employers about the CalPERS Health Benefits Program. It also provided an opportunity to provide information to prospective agencies who were interested in learning about the CalPERS rates and benefit design.
- **Conferences and Presentations** – Marketing staff attended seven conferences throughout the state to promote the CalPERS Health Benefits Program with current agencies and attract new agencies to the program. Marketing staff also provided marketing presentations to 125 prospective agencies.
- **Health Benefit Fairs for Open Enrollment 2010** – For the 2010 Open Enrollment period, the health plan partners and CalPERS staff conducted nearly 300 health fairs at separate employer sites throughout the state. These health fairs educated an estimated 40,000 members on the CalPERS health benefits program and the offerings for the 2011 contract year.
- **California Education Coalition for Health Care Reform (CECHCR)** – Health Benefits Branch staff, led by EMHS, delivered a well received health benefits presentation to CECHCR, an independent, statewide partnership of management and labor organizations focused on reducing health care costs in public education. The group is examining combining all school employers into one schools risk pool representing approximately 1.6 million people to achieve significant savings by coordinating health benefits. The CalPERS Health Benefits Program is one of the options being examined to administer this pool, and further discussions with CECHCR are anticipated.

- **CalPERS Educational Forum 2010** – This past October staff showcased the Health Benefits Program through two presentations, “Health Benefits Officer Training” and “Managing PEMHCA Contributions.” These presentations were offered in workshops that educated current and prospective agencies on the CalPERS Health Benefits program, and hands-on training for employers currently in our program related to health enrollment and billing activities. Our Health Plan Partners provided an interactive and very popular “Healthy Lifestyle Resource Center” with stations for chair massages, bone density testing, blood pressure screening and flu shots, as well as staffing resource tables for each of the health plans. Marketing and Contracts staff represented the branch at the “CalPERS Health Benefits Program” and “Public Agency Contracts” resource booths.
- EMHS also successfully broadcast our “CalPERS 2011 Health Plan Rate and Benefit Changes” regional seminars via the internet on July 30, 2010. This was the first educational webinar effort by the Health Benefits Branch. The event was very well received and was viewed live by more than 400 employers, and the archived footage was viewed by nearly 800 employers, ranking it overall as the sixth most viewed video event out of the 48 videos offered on the CalPERS Network Channel. Conducting the Rate Seminars as a webinar helped both CalPERS and employers reduce our respective carbon footprint and costs by eliminating travel from the equation. Agency representatives were able to view the presentation slides, hear the speakers, and submit text questions in a live Questions & Answers segment. During the webinar, CalPERS staff described the 2011 health plan regional rate changes, as well as items regarding national healthcare reform. Health plan design changes and benefit updates were provided from each of our Health Plan Partners: Anthem Blue Cross, Medco Health Solutions, Blue Shield of California, and Kaiser Permanente. More than 95% of survey respondents stated they would like to participate using the webinar format again.

VI. STRATEGIC GOAL

This item aligns with the Strategic Goal X, “Develop and administer quality, sustainable health benefit programs that are responsive to and valued by enrollees and employers.”

VII. RESULTS/COST

Not applicable.

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Attachments